

John Day Housing Incentives Plan

Adopted by the City of John Day

June 12, 2018

Ordinance No.

If Amendments are made to the Plan, the Resolution or Ordinance Number and date will be listed here. The amendment will be incorporated into the Plan and noted through a footnote.

This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

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I. DEFINITIONS

“Agency” means the John Day Urban Renewal Agency. This Agency is responsible for administration of the urban renewal plan.

“Area” means the properties and rights-of-way located with the John Day Urban Renewal Boundary.

“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting the urban renewal plan.

“City” means the City of John Day, Oregon.

“City Council” or “Council” means the John Day City Council.

“Comprehensive Plan” means the City of John Day comprehensive land use plan and its implementing ordinances, policies, and standards.

“County” means Grant County, Oregon.

“Fiscal year” means the year commencing on July 1 and closing on June 30.

“Frozen base” means the total assessed value including all real, personal, manufactured, and utility values within an urban renewal area at the time of adoption. The county assessor certifies the assessed value after the adoption of an urban renewal plan.

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

“ORS” means the Oregon Revised Statutes and specifically Chapter 457, which relates to urban renewal.

“Planning Commission” means the John Day Planning Commission.

“Revenue sharing” means sharing tax increment proceeds as defined in ORS 457.470.

“Tax increment financing (TIF)” means the funds that are associated with the division of taxes accomplished through the adoption of an urban renewal plan.

“Tax increment revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.

“Under-levy” means, pursuant to ORS 457.455 the ability to voluntarily limit tax increment collections from the Assessor.

“Urban renewal area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

“Urban renewal plan” or “Plan” means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

“Urban renewal project” or “Project” means any work or undertaking carried out under ORS 457.170 in an urban renewal area. In this Area, they are referred to as programs.

“Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.085(3).

II. INTRODUCTION

A. Executive Summary

When a city forms an urban renewal area, two documents are prepared, an urban renewal plan and report. In John Day these are called the John Day Housing Incentives Plan (Plan) and the Report Accompanying the John Day Housing Incentives Plan (Report). The Report is a technical document that accompanies the Plan and supplies the information required in ORS 457.085(3).

The Plan is the formal legal document which dictates what can and cannot be done in terms of projects, programs, and administration of the John Day Urban Renewal Area (Area). The Plan was developed for the John Day City Council (City Council) with cooperative input from two Advisory Committees that were formed for this purpose. The Plan also includes input from the community received at a public meetings and hearings before the John Day Planning Commission, City Council, and Grant County Court. Pursuant to the John Day City Charter and Oregon Revised Statute (ORS) 457, this Plan will go into effect when it has been adopted by a non-emergency ordinance by the City Council. The Plan is to be administered by the John Day Urban Renewal Agency (Agency). Any amendments or changes to the Area are made to the Plan by either a resolution or through an ordinance, as stipulated in the Amendments Section of the Plan.

The Plan is different from the typical urban renewal plans. This Plan is designed to use the tax increment proceeds not from the Area as a whole, but from those properties that use the programs in the Plan. Therefore, the future increased taxes from the New Home Incentive Program and the Existing Home Remodel Incentive Program will fund the costs of this urban renewal plan.

B. Plan Overview

Much of the Plan Overview comes from the City of John Day's response to the 2017 Regional Solutions Workforce Housing Initiative from the State of Oregon Department of Land Conservation and Development. Some values of house prices and subsidies that were originally stated have been updated with current information.

“Like many communities in eastern Oregon, the John Day housing market is characterized by smaller home sizes, aging housing stock and depressed market values. Additionally, the community's rental vacancy rate is currently at or near one percent; with many rental properties occupied by working families and individuals who have the capital and credit to build new homes, if given the right incentives.

Over the past 18 months in 2017, the average John Day home has sold for \$88 per square foot. While low market prices make purchasing an existing home affordable to many residents, this also creates a strong disincentive to invest in new construction, which has an average build price of \$155 per square foot. This cost-value disconnect discourages investments in new housing by creating an affordability gap for homebuyers and a profitability gap for homebuilders, both of whom take on significant negative equity for new home construction. As a result, over the last ten years only five new homes have been built within city limits, in spite of having approximately 158 acres of buildable residential land.

Overcoming this barrier to growth will require the City to incentivize private sector development of new homes and encourage existing homeowners to update and revitalize existing homes. To accomplish this, the City has developed two incentive programs, for the development of new homes and improvement of existing homes, that will be financed through Urban Renewal. The key component of the new development incentive program will be a financial rebate of seven percent of the final assessed value of any new home or a yet to be determined incentive percentage for major improvements to existing homes, payable after closing to the owner who places the house on the tax rolls. In addition, the City will pre-pay all system development charges for new housing that requires a connection to city services and will advertise the program to prospective builders.

Under this program, a new home with an assessed value of \$250,000 would have a gross assessed value of \$208,000 after applying a changed property ratio of 0.832. The existing value of the land is estimated to be \$30,000 leaving an increased assessed value of \$178,000. This development would result in a cash rebate of \$12,470 upon closing (7% of the new assessed value), plus an additional \$7,400 if system development charges (SDCs) apply, for a net benefit of \$19,860 or just over 11 percent of the new assessed value. The financial incentives would be recapitalized by having the ad valorem tax increase on the improvements accrue to the housing development district fund of the Agency until the rebate, SDCs, Community Development Fund that jump starts the program and annual administration of \$30,000 inflated annually are repaid, thus creating a perpetual investment fund.

These programs are a market-driven approach that will incentivize new home construction by reducing the affordability/profitability gap to the private sector. Additionally, the homebuyer or builder can construct any type of housing provided it is permanently fixed to a foundation and meets the standards of the City of John Day development code. Agencies like the County, School District and Hospital District will see immediate benefits from the increase in workforce housing for their employees, along with increased state shared revenue from new residents and K-12 student enrollment. No tax jurisdiction will lose any of its existing tax base and all realize significant future tax increases upon retirement of the district.”

To gather more public input on these programs, two Advisory Committees were formed by the John Day city council. The Project Advisory Committee (PAC) consisted of John Day business owners, residents, and other community members. The Grant County Assessor also participated as an advisor on the tax implications of the program. The PAC met twice to discuss and refine the John Day Housing Incentive Plan boundary, programs and finances. The Technical Advisory Committee (TAC) consisted of public officials representing multiple agencies throughout the county. The TAC met once to review the work of the PAC and make final recommendations on the plan and report.

The Plan area (Area), shown in Figure 1, consists of approximately 178.56 total acres: 133.93 acres of land in tax lots and 44.63 acres of public rights-of-way. It is anticipated that the Plan will take 20 years of tax increment collections to implement. The maximum amount of indebtedness (amount of tax increment financing (TIF) for programs) that may be issued for the Plan is \$4,305,162 (four million three hundred five thousand one hundred sixty-two).

Detailed goals and objectives for this Plan are intended to guide the Agency’s investment in the Area over the life of the Plan. The projects in this urban renewal area are housing incentive programs, and throughout this document are referred to as programs. The program

category descriptions are intended to aid future decision makers when considering how best to expend funds generated by tax increment revenues.

C. Urban Renewal Overview

Urban renewal allows for the use of tax increment financing, a financing source that is unique to urban renewal, to fund its programs. Tax increment revenues— the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established— are used to repay “borrowed funds”. The borrowed funds - which could be commitments to developers and home owners or commitments to repay the city for System Development Charges (SDCs) or administration, are used to pay for urban renewal programs and administration and cannot exceed the maximum indebtedness amount set by the urban renewal plan.

The purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped, called blighted areas in ORS 457.010. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, general under development, or other obstacles to development. In the John Day urban renewal area, the city is both underdeveloped and much of the existing housing stock is deteriorated.

In general, to address the specific conditions in John Day, urban renewal programs may include incentives to promote new development, assistance for rehabilitation or redevelopment of property, acquisition and re-sale of property from willing sellers and receipt of properties acquired by the city through their Nuisance Ordinance. In the John Day urban renewal area, the programs will help facilitate the construction of new homes and rehabilitation of the existing housing stock.

The Area meets the definition of blight due to underdeveloped residential zoned properties and the need for substantial redevelopment of the existing housing stock. These blighted conditions are specifically cited in the ordinance adopting the Plan and described in detail in the accompanying John Day Housing Incentives Report (Report).

The Report accompanying the Plan contains the information required by ORS 457.085, including:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact in light of increased services;
- Reasons for selection of the Plan Area;
- The relationship between each program to be undertaken and the existing conditions;
- The estimated total cost of each program and the source of funds to pay such costs;
- The estimated completion date of each program;
- The estimated amount of funds required in the Area and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

III. MAXIMUM INDEBTEDNESS

Maximum indebtedness is the total amount of money from division of taxes under the Oregon State Statute (ORS) 457.420 to 457.460 that can be spent on programs and administration throughout the life of the Plan. Maximum Indebtedness is a term used in authorizing the use of urban renewal and is required in every urban renewal plan. The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of programs in the Plan and the schedule for their completion is \$4,305,162 (Four Million Three Hundred Five Thousand One Hundred Sixty-Two). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness.

This maximum indebtedness amount is derived from financial modeling in the Report. In this Plan, there is no expectation that there will be any issuance of formal debt to fund the Plan. The Plan is designed to be funded through the upfront dedication of dollars from the City of John Day Community Development Fund and payment of SDCs on new development which will ultimately be repaid to the City through the increase of property tax revenues on the properties participating in the programs in the Plan.

IV. GOALS AND OBJECTIVES

The goals of the Plan represent its basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Agency intends to achieve each goal. The urban renewal programs identified in Section V of the Plan are the specific means of meeting the objectives. The goals and objectives will be pursued as economically as is feasible and at the discretion of the Agency. The goals and objectives are not listed in any order of importance or priority.

New Housing Stock

To create one hundred new residences in John Day by FYE 2039, a twenty-fold increase in home production over the prior decade.

Objectives:

- a) Provide a financial incentive to developers and home buyers through a program for new home development.
- b) Reimburse systems development charges, when applicable, for new home development.

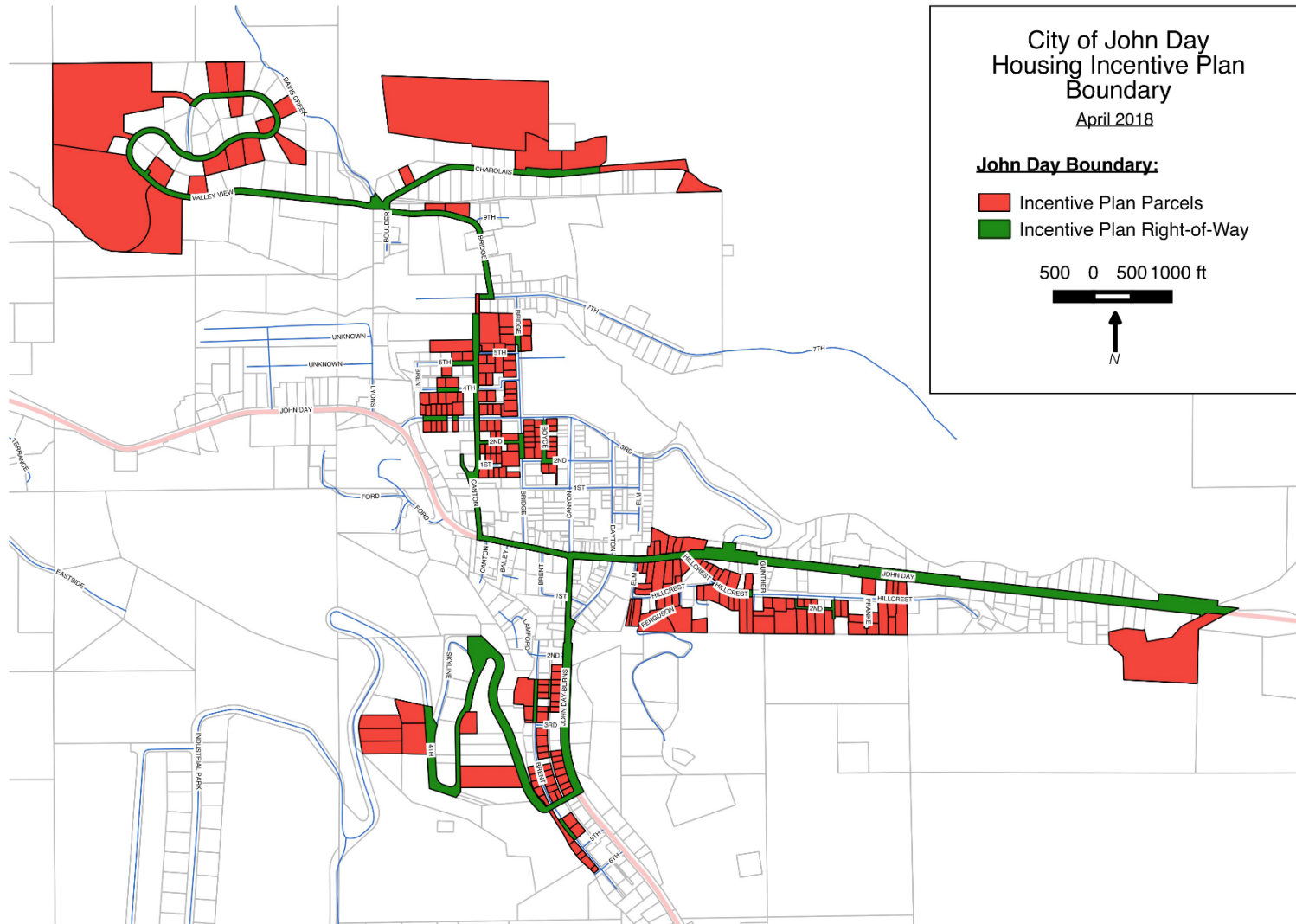
Existing Housing Stock

Improve up to one hundred existing residences in John Day by FYE 2029.

Objectives:

- a) Provide incentives to existing home owners to improve their residences

Figure 1 – John Day Urban Renewal Plan Area Boundary



Source: Tiberius Solutions, LLC

V. URBAN RENEWAL PROGRAM CATEGORIES

As an outcome of the goals described in the previous section, the programs within the Area fall into the following program categories:

New Housing Stock

New Home Incentive Program – The New Home Incentive Program will allow activities including but not limited to incentivizing new residence development. Specific program guidelines will be drafted and reviewed at the discretion of the Agency. These guidelines are expected to include: a cash rebate on new home construction of seven percent of the increase in the property's assessed value (AV), and payment of SDCs.

Existing Housing Stock

Existing Home Remodel Incentive Program – The Existing Home Remodel Incentive Program will allow activities including but not limited to incentivizing significant remodels of existing residences in John Day. Specific program guidelines will be drafted and reviewed at the discretion of the Agency. These guidelines are expected to include: substantial improvements to home facades, structural repairs, major remodels and new additions that add additional rooms and living space.

VI. URBAN RENEWAL PROGRAMS

Urban renewal programs authorized by the Plan are described below.

New Housing Stock – New Home Incentive Program

A guideline for the development of the New Home Incentive Program is indicated below. However, the Agency is authorized to revise the program incentives as needed to ensure the success of developing new homes in John Day.

The basic premise of the program is to offer incentives to builders that would eventually be paid off using the new property tax revenues captured by urban renewal from the newly built houses. The John Day Housing Incentive Area would only collect property tax revenues representative of new property tax revenues of incentivized houses on a yearly basis plus an amount for reimbursement of the Community Development fund used to jump-start the programs and payment for administration allocated to the programs.

A vignette for how such an incentive program would work is as follows:

- A homebuyer applies for an incentive rebate at the time they submit their Land Use Review (LUR) to the City Planning Official for new home construction.
- The City Planning Official reviews the home plans with the County Assessor and County Planning Department and determines an estimated AV for the new home and other proposed improvements.
- The City offers the homebuyer a rebate based on the estimated ad valorem tax base (estimated at 7% of the net new AV), to be paid to the owner after closing and upon

determination by the County Assessor of the new AV and the first tax assessment of the completed home. SDC costs are also included in the incentive package, if applicable.

- For example, if the home has a Real Market Value (RMV) of \$250,000, after applying the Changed Property Ratio (CPR) of 0.832, it would have an AV of \$208,000. The RMV and CPR will fluctuate annually as determined by the county assessor. The assumptions are the existing land on which the house is constructed would have an AV of \$30,000, leaving \$178,000 as the new AV created by the construction of the new home. If the development created a new connection to city services, the city would pay the homebuyer an estimated \$12,460 rebate and an estimated \$7,400 in SDCs, for a total incentive of \$19,860. This amount could be increased annually to account for inflation, estimated at 3%.

- The homebuyer pays the standard 15.9374 mill rate for their annual property tax just as they would on any other property. However, because the home is in an urban renewal area, the City's housing district collects the ad valorem assessed amount of roughly \$3,187 ($15.9374 \times \178) on the improvements. The other tax jurisdictions continue to receive the same tax revenue as before on the land and any improvements that existed prior to the new home construction.

- This tax distribution continues until the City's housing district has been fully compensated for its incentive. The City will receive roughly \$2,800 per house in the first year and that will typically increase three percent per year, thus taking approximately seven years to repay the \$19,860 incentive. It will take additional time to repay the reimbursement of the Community Development Fund and fund the \$30,000 of administration allocated the management of the Plan. Upon repayment, the property tax will be distributed to each of the tax jurisdictions as before and each receives their full tax benefit from the new improvements.

This mechanism creates a perpetual investment fund for new home construction in blighted areas. This type of incentive program encourages new housing construction because the homebuyer (or builder) is able to realize a cost savings estimated at ten percent versus if there were no incentive program. The city benefits by beginning to remove the blighted conditions that necessitated the urban renewal district and is able to extend additional incentives because the repayment rate within the district is five times faster than it would be otherwise.

While the other tax districts in the city do not receive immediate tax benefits from the Area, these agencies will realize an increase in their tax revenue that would not exist but for the creation of the incentive program. Agencies like Grant School District 3 also see immediate tax benefits if the families occupying the new home have school-aged children due to the increase in state shared revenue. Other tax jurisdictions that receive revenue based on per capita tax distributions, like the fuel tax, will also see near-term benefits from state shared revenue.

The goal for this incentive program is to create 100 new residences in John Day over the next twenty years, a 20-fold increase in home production over the prior decade. If successful, this increase should result in approximately 300 new residents, bringing John Day back to its mid-1970's peak population of just over 2,000 people. In other words, a twenty-year concerted housing development effort will allow John Day, by the year 2038, to recover over half a century of population decline.

Existing Housing Stock - Existing Home Remodel Incentive Program

The Existing Home Remodel Incentive Program will be designed by the Agency upon adoption of the Plan. Staff will consider options for the program that will encourage the rehabilitation of the existing housing stock in the city.

The Agency contemplates a 15% incentive based on substantial improvements to home facades, structural repairs, major remodels and new additions that add additional rooms and living space. Like the new home construction program, this incentive will be based on the increase in the property AV. The minimum AV increase to qualify for the incentive is expected to be \$10,000. Because this is a market-driven approach, the Agency may consider increasing the incentive percentage or other measures to encourage rehabilitation based on the willingness of homeowners to participate in the program.

VII. AMENDMENTS TO PLAN

The Plan may be amended as described in this section. If Amendments are made to the Plan, the Resolution or Ordinance Number and date will be listed on the front page of the Plan. The amendment will be incorporated into the Plan and noted through a footnote.

A. Substantial Amendments

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095 as provided in ORS 457.220, including public involvement, consultation with taxing districts, presentation to the Agency, the Planning Commission, the Grant County Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of John Day, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

Substantial Amendments are amendments that:¹

1. Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

B. Minor Amendments

Minor Amendments are amendments that are not Substantial Amendments as defined in this Plan and in ORS 457. Minor Amendments require approval by the Agency by resolution.

C. Amendments to the John Day Comprehensive Plan and/or John Day Zoning Code.

Amendments to the John Day Comprehensive Plan and/or John Day Development Code that affect the Plan, and/or the Area shall be incorporated automatically within the Plan without any separate action required by the Agency or City Council.

¹ Unless otherwise permitted by state law, no land equal to more than 20 percent of the total land area of the original Plan shall be added to the urban renewal area by amendments, and the aggregate amount of all amendments increasing the maximum indebtedness may not exceed 20 percent of the Plan's initial maximum indebtedness, as adjusted, as provided by law.

VIII. PROPERTY ACQUISITION AND DISPOSITION

The Plan does not propose acquisition or disposition of properties.

IX. RELOCATION METHODS

The Plan does not propose acquisition or disposition of properties, therefore there are no relocation methods proposed.

X. TAX INCREMENT FINANCING OF PLAN

This Plan is authorized the authority of tax increment financing as allowed in ORS 457. However, there is no initial intent in this Plan to incur debt through bonds, but rather to use annual tax increment proceeds to run the programs defined in the Plan and to pay for administration of the Plan. In addition, the Agency may under-levy their annual tax increment to meet the needs of the administration and program requirements. An under-levy is specifically authorized in ORS 457.455. It states

“ (1) If the maximum amount of funds under ORS 457.440 (Computation of amounts to be raised from property taxes) is not required to pay the principal and interest on indebtedness incurred for an urban renewal plan, the urban renewal agency may take formal action to limit collections under a plan for a single fiscal year, and may notify the county assessor pursuant to ORS 457.440 (Computation of amounts to be raised from property taxes) (2)(e) to compute the division of taxes for the urban renewal area using an assessed value that is equal to the amount specified by the agency. The assessor may not use an amount that is greater than the increment.

(2) (Not anticipated to be used in this Plan.)

(3) Before taking formal action under this section, the urban renewal agency shall consult and confer with each taxing district affected by the urban renewal plan.”

This Plan intends to under-levy each year and will send a formal letter to each taxing district of the amount of that under-levy.

The typical tax increment financing of an urban renewal plan is also authorized by the adoption of this Plan. It is described below:

Tax increment financing consists of using annual tax increment revenues to make payments on debt, usually in the form of bank loans or revenue bonds. The proceeds of the bonds are used to finance the urban renewal programs authorized in the Plan. Bonds may be either long-term or short-term.

Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

A. General description of the proposed financing methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues;
- Advances, loans, grants, and any other form of financial assistance from the city, state, federal, or local governments, or other public bodies;
- Loans, grants, dedications, or other contributions from private developers and property owners, including, but not limited to, assessment districts; and
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in (1) planning or undertaking program activities, or (2) otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax increment financing

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

XI. ANNUAL REPORT

An urban renewal annual report is required to be prepared and a notice placed in the newspaper as required by ORS 457.460.

XII. RELATIONSHIP TO LOCAL OBJECTIVES

ORS 457.085 requires that the Plan conform to local objectives. This section provides that analysis. Relevant local planning and development objectives are contained within the John Day Comprehensive Plan, John Day Strategy for Growth and the John Day Development Code. The following section describes the purpose and intent of these plans, the main applicable goals and policies within each plan, and an explanation of how the Plan relates to the applicable goals and policies.

The numbering of the goals and policies within this section reflects the numbering that occurs in the original document. *Italicized text* is text that has been taken directly from an original document.

Comprehensive Plan designations, which are the same as the designations in the John Day Development Code, for all land in the Area are shown in Figure 2. All proposed land uses conform to Figure 2. Maximum densities and building requirements for all land in the Area are contained in the John Day Development Code.

A. John Day Comprehensive Plan

Citizen Involvement

Plan Details

Policy 3. To establish citizen advisory committees as deemed necessary or advisable to study community problems and make recommendations for their solution

Finding

The Plan conforms to the John Day Comprehensive Plan because it established a PAC and TAC in preparation to forming the Urban Renewal Plan and Report. The PAC discussed the potential boundary, the programs, the financial model and a draft of the Plan and Report. The TAC reviewed the final documents prior to approval and adoption by the City Council.

Economic Element

Plan Details

Goal: Encourage steady managed growth.

Finding

The Plan conforms to the John Day Comprehensive Plan because it provides a stimulus for increased housing stock and rehabilitation of existing housing stock in order to promote economic growth.

Housing Element

Plan Details

Policy 3. To encourage a supply of housing to allow for expected population growth and

to provide for the housing needs of the citizens of the area.

Policy 4. To encourage residential development which provides prospective buyers with a variety of residential lot sizes, diversity of housing types, and a range in prices.

Policy 7. The City should promote the rehabilitation of existing housing, and the re-use of vacant land.

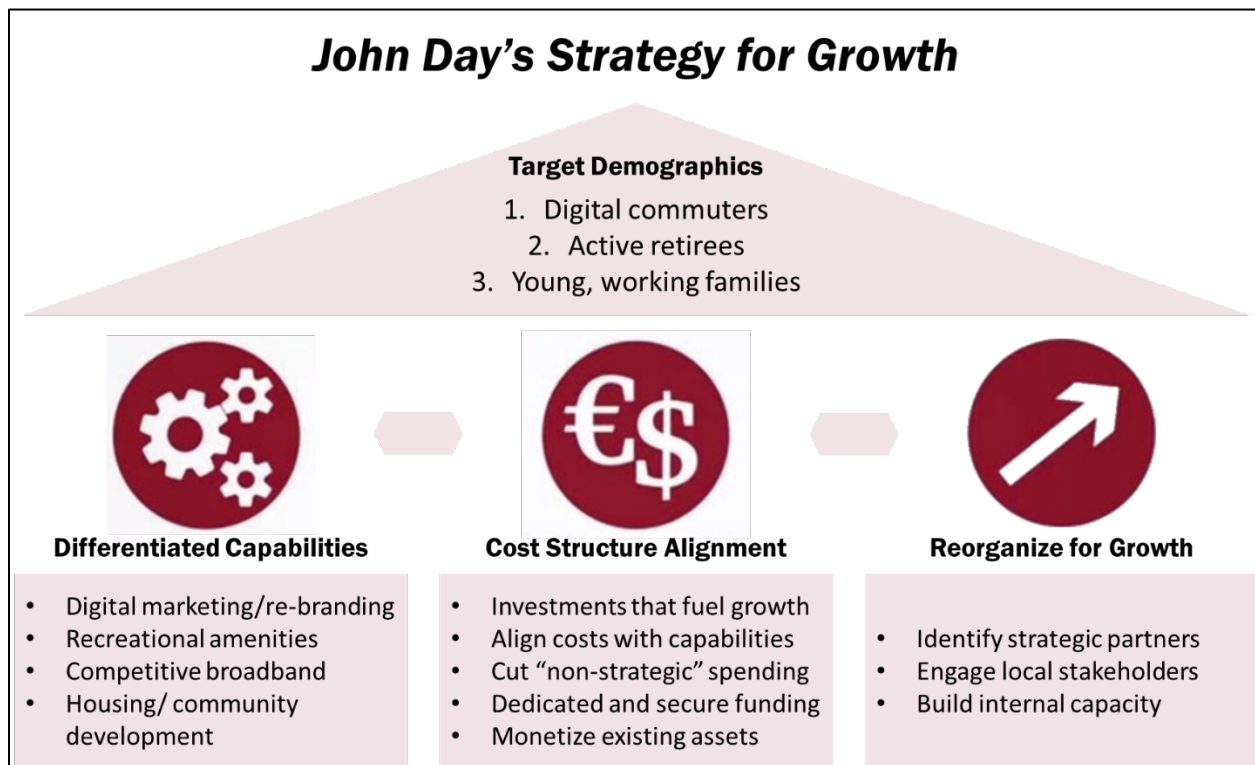
Finding

The Plan conforms to the John Day Comprehensive Plan because it establishes two programs that will improve the quality of the housing stock in John Day. The first program is the New Home Incentive Program, which is discussed more fully in the programs section, but which will promote new residences in John Day. The second program is the Existing Home Remodel Incentive Program, which will promote the improvement of the existing housing stock in John Day.

B. John Day Strategy for Growth

In January 2017, the City Council approved a new *Strategy for Growth* for the City of John Day (Figure 2).

Figure 2 – Johns Day’s Strategy for Growth



Source: City of John Day

The Strategy is designed to attract three core demographics as new residents:

1. **Digital commuters** who have a choice about where they work;
2. **Active retirees** with disposable income; and
3. **Young, working families** that contribute to the local economy and tax base.

Targeting these demographics will require the City to focus its investments in four main areas:

1. **Digital marketing and branding** that promotes our rural quality of life;
2. **Recreational amenities** that make for attractive, active-lifestyle communities;
3. **Competitive broadband infrastructure** enabling residents to be digitally connected to friends, family and co-workers; and
4. **Housing and community development** initiatives that create more housing options across a wider and more balanced price range and community spaces that enhance the economic value of our city.

Finding

The Plan conforms to the **John Day Strategy for Growth** as it establishes two programs that will improve the quality of the housing stock in John Day. The first program is the New Home Incentive Program, which is discussed more fully in the programs section, but which will promote new residences in John Day. The second program is the Existing Home Remodel Incentive Program, which will promote the improvement of the existing housing stock in John Day that will make the city's housing stock more attractive to new residents.

C. John Day Development Code

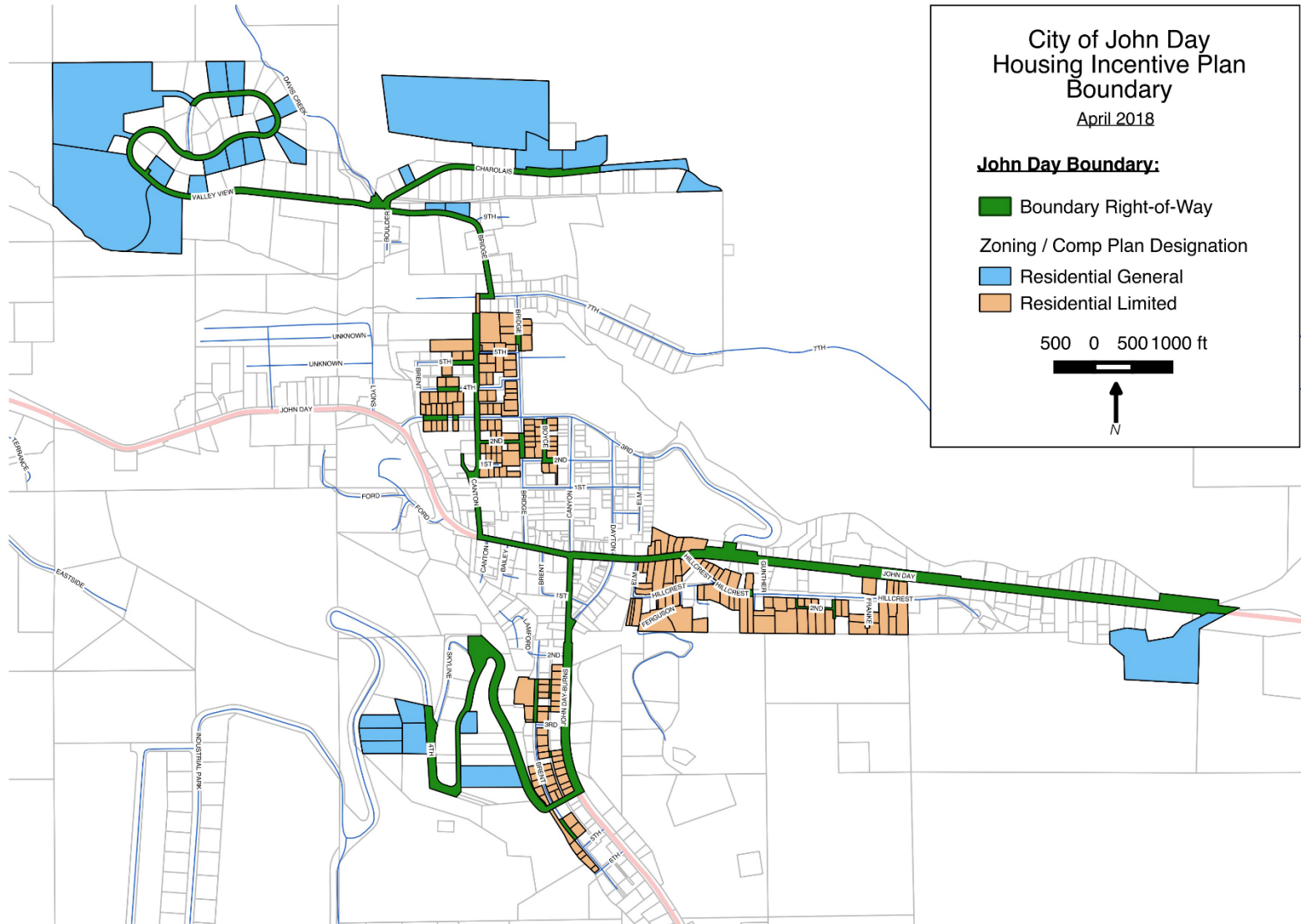
The land uses in the Area will conform to the zoning designations in the City of John Day Municipal Code, including maximum densities and building requirements, and are incorporated by reference herein. The following zoning districts are present in the Area.

RESIDENTIAL LIMITED AND RESIDENTIAL GENERAL

The Residential Districts are intended to promote the livability, stability and improvement of the City's neighborhoods. Three districts are provided, only two are in the Area:

- 1) The Residential Limited (RL) district is intended to accommodate a wide variety of housing types, including attached and detached housing on small to medium size lots in the neighborhoods close to downtown. The RL district also supports parks, schools, places of worship, and other services at an appropriate neighborhood scale;
- 2) The Residential General (RG) district is intended to accommodate household living at somewhat lower densities than the RL district because it applies to the hillsides of John Day.

Figure 2 – Zoning and Comprehensive Plan Designations



Source: Tiberius Solutions, LLC

XIII. APPENDIX A: LEGAL DESCRIPTION

Legal Description Map